

Reducing Client Obligation KEESM 8270

Allowable medical expenses may be used to reduce the client obligation

- Health Insurance premiums, regardless of when actually paid.
 - **Exceptions: Hospital Indemnity Plan or Disability Income Insurance premiums as these types of insurance provide income rather than cover medical expenses.**
- Medicare Part A and Part B premiums not subject to buy-in
- Portion of Medicare Part D enhanced premium not covered by Subsidy
 - **HCBS & NF consumers will not have Part D co-pays.**
- Prescription drug expenses which are not covered under the Medicare Part D plan are allowable if an exception to coverage has been rejected by the plan.
- Medically necessary expenses not covered by Medicaid, Medicare, or other third party insurance. Only the amount not paid by another third party will be allowed.
 - **Exceptions are expenses paid for by a public program funded by the State (or political subdivision of the State, such as a county) can be applied to spenddown. See KEESM 7532.2 for details.**
- Past due and owing expenses can be allowed.
- ✓ Sometimes the cost of service on the plan of care is not enough to meet the client obligation. The consumer can be eligible for a medical card if it can be demonstrated that other medical expenses will meet the spenddown. Medicaid would not participate in payment of the HCBS services unless the spenddown was further reduced by additional medical expenses.

- **ALLOWING HCBS OBLIGATION ON FOODSTAMP CASE**

When there is a combined HCBS/FS case it is important to remember to allow the HCBS obligation as an expense on the FS case. When processing an application or review you can set yourself an alert as a reminder to allow the obligation.

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